

Quarterly Activities Report

Period Ending March 2018



Highlights

- **Final stage of metallurgical test work near completion**
- **Available funds of \$2.8 million at 31 March 2018**

Kookaburra Gully Graphite Project, SA (100%-owned)

Lincoln Minerals Limited (“Lincoln” or “Company”) continued downstream metallurgical testwork during the quarter, for the Company’s 100%-owned Kookaburra Gully graphite project on South Australia’s Eyre Peninsula.

Lincoln’s Program of Environment Protection and Rehabilitation (PEPR) has been paused so the company can position itself more strongly and secure the project’s required capital. The cost of completing the approvals work has been defined together with land purchases required for project execution to commence. Current economic conditions are challenging in securing funding which will result in a delay to PEPR resubmission. The company will provide further updates as its funding options become clearer.

Key activities for the quarter are summarised below.

- A 300 kilogram flake graphite concentrate sample from pilot plant testwork grading greater than 95% Carbon LOI was downstream processed for value adding product development. Initial results are positive, indicating advanced manufacturing processes are both economic (CAPEX and OPEX) and upgrading final purity. Final characterisation work and certificate of analysis will permit customer qualification and evaluation.
- Global marketing analysis work continued with downstream value adding analysis. Further details of this assessment will be provided when the test work is completed.

Other SA Projects

Lincoln completed a major geological review of 585 drillholes (or approximately 145,000 metres of drilling data) that was acquired under agreements held with Centrex Metals on Eyre Peninsula. The review focussed on graphite and base metal occurrences with detailed analytical and geological prospect generation pending. Due to the Company’s focus on the PEPR for Kookaburra Gully, no significant exploration or development work was undertaken during the quarter on Lincoln’s other Eyre Peninsula tenements.

Corporate

Lincoln Minerals consolidated its operating offices during the quarter from three to two (Port Lincoln and Melbourne).

During the quarter, Mr Yihao (Eric) Zhang resigned as director of the Company and Mr Kee Saw was appointed as a new director and Chief Financial Officer of Lincoln.

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Tenements

The status of all Exploration Licenses (ELs) as at 31 March 2018 including SAIOG, CXM and Baogang ELs on which Lincoln Minerals is an operator, is shown in the following tenement schedule and map. All ELs are current to 2018-19.

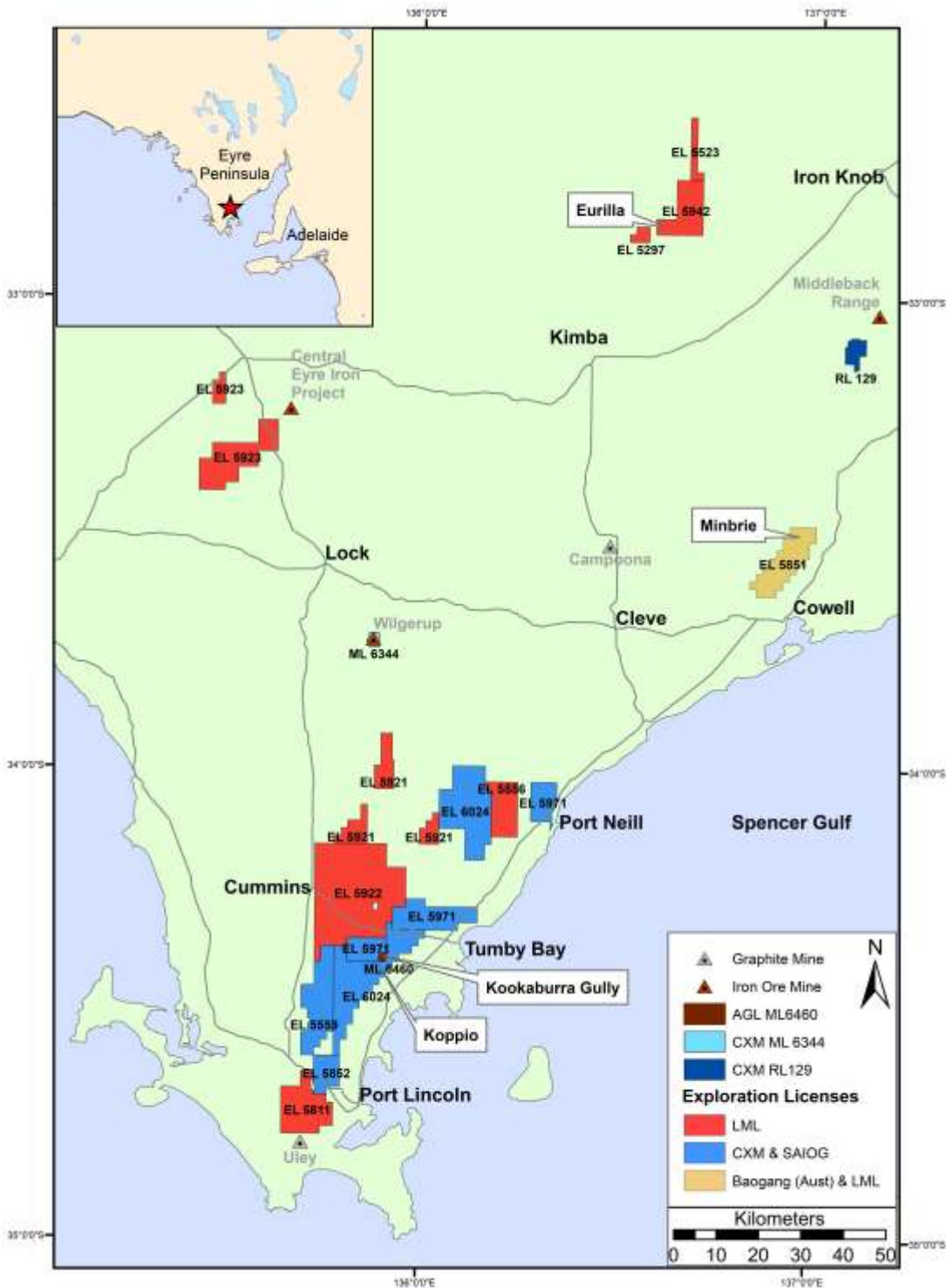
Lincoln holds exploration rights to South Australian lease holdings totalling 2,028 square kilometres, all on Eyre Peninsula. Centrex Metals Limited and one of its wholly owned subsidiaries have sold the Wilgerup iron ore project (ML 6344) and Kimba Gap iron project (RL 129) located in South Australia to SIMEC Mining. Lincoln retains its mineral rights excluding iron on the Wilgerup and Kimba Gap tenements.

Tenement Schedule

Tenement	Expiry	Area (km ²)	Locality	Commodity
LINCOLN MINERALS (AND AGL) HAS OWNERSHIP OF ALL MINERAL RIGHTS				
EL 5942	28-Jan-19	98	Eurilla	Base metals, U
EL 5922	12-Feb-19	441	Wanilla	Graphite
EL 5921	11-Feb-19	112	Cummins	Graphite
EL 5297	2-Mar-18	14	Moseley Nobs	Base metals, U
EL 5523	28-Sep-19	26	Uno	Base metals, U
EL 5556	3-Nov-19	82	Dutton River	Graphite
EL 5811	6-Jan-21	128	Gum Flat	Graphite, Iron
EL 5923	20-Dec-18	166	Nantuma	Iron
ML 6460	2-June-37	300.8 ha	Kookaburra Gully	Graphite
Subtotal		1,070		
LML AND AGL HAVE OWNERSHIP OF ALL MINERAL RIGHTS EXCLUDING IRON ORE *				
EL 5851	13-Aug-18	117	Minbrie	Base metals
EL 5852	13-Aug-18	51	Greenpatch	Graphite
EL 5971	11-Apr-19	215	Tumby Bay	Graphite, base metals
EL 6024	05-Aug-19	403	Mount Hill	Graphite, base metals
EL 5559	15-Nov-19	138	Wanilla (Bald Hill)	Graphite
ML 6344*	11-Aug-19	916 ha	Wilgerup	Iron
RL 129*	07-Nov-21	2547 ha	Kimba Gap	Iron
Subtotal		958		
Grand total		2,028		

* ML 6344 and RL 129 were sold by Centrex during the quarter to SIMEC Mining pending final Ministerial approval.

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Map of Lincoln Minerals' Eyre Peninsula (SA) tenements.

Exploration Licence data based on the Department of Premier and Cabinet, the Government of South Australia, Exploration and Geoscientific Data, sourced on 12 April 2018

http://www.minerals.statedevelopment.sa.gov.au/exploration/exploration_licensing#tenement

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Lincoln Minerals Pty Ltd

ABN

50 050 117 023

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(78)	(1,240)
(b) development	-	-
(c) production	-	-
(d) staff costs	(450)	(774)
(e) administration and corporate costs	(125)	(561)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	2	23
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	6
1.9 Net cash from / (used in) operating activities	(651)	(2,546)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(6)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(434)	(479)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(434)	(485)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,664
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(27)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	3,637

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,905	2,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(651)	(2,546)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(434)	(485)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,637
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,820	2,820

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	661	1,746
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	2,159	2,159
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,820	3,905

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	138
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director's fees, superannuation and consulting fees paid to entities associated with Directors.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Not applicable

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	210

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Not applicable		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Not applicable		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 23 April 2018

Print name: Jaroslaw Kopias

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.